

LOUISVILLE METRO COUNCIL COMMITTEE MINUTES

Government Accountability and Oversight

Wednesday, October 7, 2009

4:08 P.M.

Third Floor, City Hall

Present: **Chairman:** **CM Downard**
 Vice Chair: **CM King (Left at 4:20 p.m.)**
 Members: **CM Kramer, CM Henderson (Arrived at 4:27 p.m.),**
 CM Ward-Pugh, CM Fleming and CM Brent Ackerson

Chairman Downard began the meeting by introducing the members and non-members of the committee that were present. A quorum was established.

AGENDA

[O-144-08-09 AN ORDINANCE ENACTING A NEW SECTION 20.20 OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT CODE OF ORDINANCES \[LMCO\] RELATING TO RECORDKEEPING AND AUDIT REQUIREMENTS APPLICABLE TO RECIPIENTS OF APPROPRIATED FUNDS.](#)

Status: In Committee - Held
Committee: Government Accountability & Oversight
Primary Sponsor: Jim King
 Kelly Downard

Motion to approve made by Jim King and seconded by Kenneth C. Fleming.

Discussion: Bill Warner, Assistant County Attorney, spoke. The following was discussed:

- This ordinance requires any recipient of Metro Funds to submit and keep a record of the funds to enable the Auditor to audit the expenditure to make sure it is used for the proper purpose that it was appropriated for.
- Section B provides that audit documents that come into Metro's hands pursuant to such an audit shall be disclosable to the public upon request without limitations
- Disclosures
- Concerns regarding open records
- Other statutes that mandate the same type of auditing this ordinance does
- This ordinance is focused on a particular area
- Definition of Recipient
- Cordish Agreement
- This ordinance does not set up special audits
- Applies to any contract or sub contract

Motion to amend as follows made by Kelly Downard and seconded by Kenneth C. Fleming.

- **§ 20.20. RECORDKEEPING AND AUDIT REQUIREMENTS; RECIPIENTS OF APPROPRIATED FUNDS**
 - (A) All recipients of public funds appropriated by the Council [the "recipient" or "recipients"] shall be subject to audit as to the recipients' use of such funds. All recipients shall maintain full and complete records in accordance with ~~generally accepted accounting practices~~ ~~Principals~~ as to each expenditure made from appropriated funds. Subject to the provisions of Subsection (B) of this § 20.20, a recipient shall immediately upon request make all records required to be maintained by this Subsection (A) available to the Metro Government Auditor or any other person designated by the Mayor or the Metro Council [the "Auditor"] at a location in Jefferson County, Kentucky

By voice vote, the Amendment passed.

The following was also discussed:

- Possibly citing KRS Open Records Laws

- Limitations as to privacy, business secrets or confidential information
- Entities cannot keep records from the Auditors
- If you take Metro Dollars you have to comply with the ordinance
- Revocation is basically three scenarios
 - If a vendor or contractor takes Metro appropriations and totally fails to spend the money as stated, Metro has the right to revoke the contract and recover the total amount even if it spend on something else
 - If a vendor spends appropriations in some way for a public purpose but not completely, Metro has the right to revoke the contract and recover the part that was not spent correctly
 - If the work is completed and it turns out after the fact that the work was not properly preformed. Metro can revoke the contract and receive damages.
- Grounds for revoking a contract
- A contract can also be cured – not revoke the contract, find out what is going on and get it done

Chairman Downard asked Mr. Warner to write in a paragraph to reflect the consistency with open records laws and have it ready so it could be reviewed before the next meeting.

Motion to table made by Kevin Kramer and seconded by Kenneth C. Fleming

This item was **Tabled**.

VOTING RESULTS: For: 6; Against: 0; Abstain: 0; Absent: 1

For: Kenneth C. Fleming, Kelly Downard, Kevin Kramer, Robert Henderson, Tina Ward-Pugh, Brent Ackerson

Against: (None)

Abstain: (None)

Absent: Jim King

Special Items For Discussion

Mike Norman, Office of Internal Audit, presented an overview of the new tip line.

Mr. Norman gave a brief overview of the Ethics Tipline.

The following was discussed:

- Contract is with the Network which is based in Atlanta
- Policies and procedures
- Expectations and Consistency
- Flowchart
- Intended use of the Tipline
- Six sections
 - Purpose of the Ethics Tipline
 - Processing of Incident Reports
 - Activity Reports
 - Monthly Report Distribution
 - Executive Summary
 - Activity Reports
 - Confidentiality
 - Whistleblower Protection
 - Bad Faith Report
- Responsibilities
- Went Live October 1, 2009 - 6 weeks prior to deadline
- Partners
- Awareness Campaign
- You can remain anonymous or If you give your name there is a possibility that it may not be confidential
- Time lines vary regarding when action is taken after a complaint is received
- Incident Codes

- False Reports
- 888-226-2264 is the number for the Ethics Tipline
- Web Access
 - www.reportlineweb.com/Louisville
 - www.Louisvilleky.gov/internalaudit/

Chairman Downard stated at the next meeting self insurance funds, and the Animal Services Audit would be discussed.

Motion to adjourn made by Tina Ward-Pugh. Without objection the Meeting adjourned at 5:20 P.M.

***NOTE: Items sent to the Consent Calendar or Old Business will be heard before the full Council at the Metro Council Meeting on October 8, 2009.**

KQG